



U.S. Small Business Administration New Hampshire District Office

FY 2003 Annual Report

Dear Friends,

50 and Counting....

The highlight of the year for the SBA was the celebration of our 50th Anniversary, with events being held across the nation and in Washington, D.C. We celebrated our 50th Anniversary during our Small Business Week celebration in May, during the national celebration in Washington in September, and again at a regional celebration in Bangor, Maine in early October.

Millions of times, in millions of ways, and with billions of dollars in financial assistance, the SBA has helped America's entrepreneurs start and grow small businesses. The agency has provided assistance to small business entrepreneurs more than 20.3 million times since it was founded 50 years ago, including loan guarantees, surety bond guarantees, counseling and training sessions, venture capital, disaster loans, contracts and other forms of assistance. The total financial assistance has amounted to \$232.9 billion dollars in loans and venture capital financing to small businesses, many of which have grown to become some of the largest enterprises in the world. This assistance has created more than six million jobs. Also, the SBA has coordinated or provided \$130.4 billion in contracting, R&D, and disaster recovery assistance while counseling and training more than 15 million people in business development.

The SBA has helped thousands of entrepreneurs achieve the American dream, and many, through hard work and unwavering commitment to excellence, have achieved outstanding success. Companies like America Online, Allen-Edmond Shoes, Callaway Golf, FedEx, Hewlett-Packard, Intel, Nike, Jenny Craig, Outback Steakhouse, Staples, Gymboree, Winnebago and, right here in New Hampshire, Stonyfield Yogurt – have succeeded with SBA assistance.



Bill Phillips, NH SBA District Director and Jeff Butland, SBA Regional Administrator with proclamation from Governor Craig Benson honoring SBA's 50th Anniversary

Changes on the Horizon...

The SBA, for some time, has been in the midst of a restructuring effort, culminating this year in Workforce Transformation. The SBA is being transformed to better meet the modern, evolving demands of small businesses. SBA's goal is to make the agency more customer-centered, results oriented and more market-based. SBA's transformation plan is expected to provide greater marketing and outreach to small businesses. This transformation began in some of the district offices towards the end of FY 2003, with the New Hampshire office as one of the first chosen as a "pilot office" prior to full implementation nationwide.

What you will see happening is that many of the "back room" functions of the agency previously performed in district offices – such as loan processing and liquidation – will be centralized in national sites. This transformation will free up district office personnel to perform more marketing and outreach activities. I hope that as we move forward agency-wide with government transformation, it will be a smooth and productive endeavor.

Move to New Digs....

Sometime in February, our office will be moving to the 3rd floor of the J.C. Cleveland Federal Building at 55 Pleasant Street in Concord. We sadly will say goodbye to our Main Street location of many years, but look forward optimistically to the move. The Concord SCORE office will be moving with us, and once we get settled we hope to have an "open house" for both SBA and SCORE clients, friends, bankers, and resource partners. We will keep you informed of the date!

Special Thanks....

I would like to thank the staff of the SBA for contributing to another record year for this office. Elsewhere, you can read about our loan statistics and special activities. In the last 7 years, we've downsized from a staff of 28 to 14. Nonetheless, in the SBA's FY 2003 "Scorecard" -- an agency-wide performance ranking, I'm proud to say that the SBA New Hampshire district office rated *fifth* highest out of seventy district offices nationwide.

I'm continually amazed at how we manage to accomplish as much as we do. We have a seasoned, knowledgeable and dedicated staff of professionals at the SBA, each of whom deserves special recognition. I'm pleased to acknowledge the contributions of Bob Sedgwick, Deborah Barrett-Smith, Bob Welch, Wit Jones, Donna Harper, Alice Zachos, Rachael Roderick, Lillian Evans, Amy Bassett, Warren Haggerty, Claire Rousseau, Terry Saucier and Karlene Normandin.

Moving up the chain of command, our Regional Administrator, Jeffrey Butland, has been a pleasure for all of us to work with. He has the bearings of a former Marine officer who can

work calmly and coolly under pressure; the commitment of a former L.L. Bean manager who understands the needs of business; and the diplomacy of a former member of the state legislature with the ability to negotiate and get things accomplished. We thank Jeff and his regional office staff for their guidance and support in FY 2003, and look forward to a strong working relationship in the future.

We were pleased that both SBA Administrator, Hector Barreto, and Deputy Administrator, Melanie Sabelhaus, visited New Hampshire in September to help promote SBA activities and programs. Both were very well received and enjoyed their visits to the Granite State. Also in September, New Hampshire was the site of one of the SBA's Regulatory Fairness Hearings --to listen to business owners and community leaders concerned about excessive fines and burdensome enforcement of federal regulations. Any small businesses that did not have the opportunity to attend this hearing can still contact us about filing a complaint with the Agency's Ombudsman.



L to R: Laura Monica, NH appointee to SBA Regulatory Fairness Board; Jeff Butland, SBA New England Regional Administrator; Peter Sorum, Advisor to the National Ombudsman; James Knott, Mass. appointee to the Regulatory Fairness Board.

I would be remiss if I did not thank our Congressional delegation which is so well attuned to the needs of New Hampshire's entrepreneurs – Senators Gregg and Sununu, and Congressmen Bass and Bradley – for their on-going interest and help whenever we have called on them. Likewise, Governor Benson has been very receptive to SBA and our programs, and we thank him for presenting us with a special Governor's Proclamation in recognition of SBA's 50th Anniversary.

Special appreciation also to our resource partners – Mary Collins and her staff at the NH Small Business Development Center (NH-SBDC); Jim Helm, NH SCORE Director, and all the SCORE volunteers; and Ellen Fineberg and her staff at the Women's Business Center (WBC). They help us effectively deliver SBA services statewide, and are the key components of SBA counseling services. Likewise, our Business Information Center (BIC) partners deserve our praise and appreciation. Together, these groups have assisted and counseled almost eleven thousand small businessmen and women in FY 2003. We also thank our lending partners for helping us set another record, with 1,438 loans approved, even surpassing last year's record. Citizens Bank deserves special recognition for once again earning the status of #1 SBA lender in New Hampshire and New England with 3,382 loans approved region-wide.

There continues to be a very high level of interest in SBA assistance statewide. In FY 2003, we sent out over 1500 business start-up kits, and we had nearly 24,000 visitors to our website. It's always gratifying to know that the entrepreneurial spirit is alive and thriving in the Granite State.

We thank you for your support in FY 2003 and look forward to working with you this year. Please feel free to call on me or a member of my staff whenever we can be of assistance.

Sincerely,

William K. Phillips
NH District Director

FY 2003 ACCOMPLISHMENTS

Another Historical Year for SBA Lending in NH....

FY 2003 was yet another record-setting year for the New Hampshire SBA: we approved 1,438 loans for over \$228 million to New Hampshire's small businesses, *more than in any previous year in history.*

Of the 1,438 loans approved, 1287 were 7(a) loans, and 151 were 504 loans. The 7(a) program – which includes “Low Doc” loans (less documentation required) and SBA Express – is the Agency's primary lending program. The 504 program provides growing businesses with long-term, fixed-rate financing for major fixed assets, such as land and buildings. Our office is proud of its record in the area of special emphasis lending programs with 179 loans approved to veterans and 286 to women entrepreneurs. We also had 65 loans approved to minorities and 34 loans to businesses in exporting.

Again, our congratulations to Citizens Bank for being SBA's most active lender in New Hampshire, accounting for 967 loans totaling more than \$30 million.

TOP 10 SBA LENDERS IN N.H. (7a/504 Loans)	
Citizens Bank – NH	967
BankNorth*	119
Fleet Bank	54
Granite Bank	33
Berlin City Bank	23
Connecticut River Bank	22
Ocean National Bank	21
Centrix Bank	20
Community Bank & Trust	14
Monadnock Community Bank	13

* includes Bank of New Hampshire

Our currency rate – which reflects the percentage of loans in our portfolio which are not more than 29 days past due for payment – remained very strong and our office had one of the three highest currency rates of all SBA offices in the country.

The “BIC” – a One-Stop Shop for Small Business

Our Business Information Center in Nashua continues to provide a convenient, one-stop shop for current and future small business owners to receive free assistance, advice and training. Our smaller mini-BICs -- located in Bethlehem, Conway, Keene, Laconia,

Manchester and Portsmouth -- also are a great source of reference for entrepreneurs. This year, Lillian Evans, a 14-year veteran SBA economic development specialist, was named the new BIC manager with oversight responsibility for all the BICs in the state.

SBA BICs combine the latest computer technology, hardware and software, an extensive small business reference library of hard copy books and publications and current management video tapes to help entrepreneurs plan their business, expand an existing business or venture into new business areas. In addition to the self-help resources, clients can take advantage of free on-site business counseling, workshops and programs provided by SCORE, the SBDC, MicroCredit-NH and other resources.

In FY 2003, the New Hampshire BICs serviced over 1,724 clients and hosted numerous workshops on a variety of business topics, including a workshop devoted to Spanish-speaking individuals.

Our BICs are part of the CombiNet non-profit network, which also includes Fleet Bank, the state of New Hampshire, the Knowledge Institute (BUZgate), Southern NH University, and many other public and private sector groups, and the host organizations. We thank our BIC hosts and partners for all their efforts over the past year!

The Women's Business Center (WBC).... Offering Special Assistance for Women

Women entrepreneurs have become a significant force in shaping the U.S. economy. Two decades ago, fewer than 10 percent of all businesses in the U.S. were owned by women; today, they own nearly a third of the nation's businesses, about 6.2 million businesses.

In New Hampshire, the Women's Business Center (WBC) helps women achieve their dreams of owning successful businesses by offering a broad range of innovative programs and courses on finance, management, marketing, procurement and Internet subjects. The WBC's WomenBiz roundtables provide mentoring opportunities for current and emerging women business owners. Monthly meetings are held on the first Wednesday in Portsmouth, the third Wednesday in Manchester and the second Thursday in Concord.

By taking advantage of the WBC's commitment of promoting business ownership for the women of NH, in FY 2003 over 1,280 women received comprehensive training, mentoring and business assistance.

This year the WBC hosted the first of what may become an annual luncheon and business showcase honoring New Hampshire business women. Our Deputy Administrator, Melanie Sabelhaus, attended this year's event and gave a rousing speech that brought a standing ovation. Also at this event, the WBC highlighted the results of its WBC/Fleet Bank study of NH women business owners.

SBA and its resource partners are online at:

www.sba.gov www.nhsbdc.org
www.score.org www.womenbiz.org



L to R: Ellen Fineberg, WBC Executive Director; Bill Phillips, NH SBA District Director; Jeff Butland, SBA Regional Administrator; Melanie Sabelhaus, SBA Deputy Administrator; and Alice Zachos, NHSBA's Women's Business Ownership Representative, at the September WBC event showcasing women in business.

NH SBDC Has Major Impact On State Small Business

The New Hampshire Small Business Development Center (SBDC) at UNH's Whittemore School of Business and Economics is a cooperative venture between the SBA, the state of New Hampshire's Department of Resources and Economic Development, the University System of New Hampshire and the private sector.

A key link to business assistance in NH, the SBDC provides free, confidential, one-on-one business management counseling and low-cost training seminars. Services are delivered through six regional offices across the state. Staffed by highly certified counselors, these centers provide assessment, evaluation, advice, education and referral – whatever is needed to promote the individual business' success. It also provides specialized assistance in the area of manufacturing, technology, importing and exporting, regional economic research and environmental compliance.

The New Hampshire SBDC handled 3,706 clients in FY 2003. They had counseling cases totaling 8,587 hours, and held 103 workshops, with 2,528 participants, and spent 12,637 hours involved in training.

A combination of a stagnant economy and New Hampshire's perennial entrepreneurial spirit caused a surge in demand for NH SBDC services. Supplemental support from USDA, the NH Department of Resources and Economic Development, and Citizen's Bank helped fund additional business counselors to meet counseling needs around the state.

Besides seeing an increase in start-up activity, many clients were existing businesses launching new products and services or investing in equipment and real estate. Clients looking to revitalize their businesses requested assistance with refinancing and identifying new markets. Attendance at educational programs also increased.

SCORE – “Counselors to America's Small Business”

There are 389 SCORE chapters nationwide, staffed with more than 10,500 volunteer counselors, many of whom are retired entrepreneurs. Here in New Hampshire, we are fortunate to have six active chapters, with a total of 147 counselors, located in Manchester,

Portsmouth, Keene, Concord, Conway and Lebanon. A branch of the Manchester chapter is also located at SBA's Business Information Center (BIC) in Nashua.

New Hampshire SCORE Chapters have a great deal of longevity: 36 years each for the Lebanon, Portsmouth and Manchester chapters; 27 years for the Keene chapter, 20 years for the Concord chapter and 6 years for the Conway chapter. That's a total of 161 years of small business counseling. Our thanks and congratulations to all the SCORE volunteers in New Hampshire!

SCORE counselors are available to answer questions and give advice to both start-up and operational businesses at every phase of their venture.

In FY 2003, New Hampshire SCORE counselors donated over 13,118 hours of their time and expertise to help small businesses start, grow and compete in today's business climate. Many of these hours were spent counseling clients – there were 1,216 new clients, 855 repeat clients and 360 e-mail clients. SCORE volunteers dedicated 4,338 hours to counseling, and another 6,845 hours in non-counseling chapter support activities. SCORE also conducted 73 training seminars attracting 1,572 attendees – up 74% over last year.

Spotlight on SBA's 2003 New Hampshire Small Business Award Winners

On May 22nd, the SBA honored another outstanding group of small businessmen and women and their advocates when we held our annual "Salute to Small Business" luncheon.

Carol and Michael Hamilton, founders and owners of Chutters, Inc., an 8-year-old nationally known retail store located in the historic Chutters' building on Main Street in Littleton were this year's "**Small Business Persons of the Year.**" Chutters features the world's longest candy counter, recognized in the Guinness Book of World Records.

The Hamilton's started their business in 1995 with the help of a SBA-guaranteed loan and advice and assistance from the NH Small Business Development Center (SBDC). Additional SBA financing in the last several years has helped the Hamiltons expand the size of their store.



ABOVE: Carol and Mike Hamilton

Other 2003 honorees were:

Jeff Feingold, editor of NH Business Review (NHBR), was named the "**2003 New Hampshire Small Business Journalist of the Year**", and also won the New England Regional and National awards in his category.

Joseph M. Flynn, program manager for the New Hampshire Procurement Technical Assistance Center (NH-PTAC) in Concord, was named SBA's "**Veteran Small Business Advocate of the Year.**" He also won the New England regional award.

T. Paul Bothwell, a long-time member of the Keene SCORE Chapter and a former SCORE state director for both New Hampshire and Vermont, was named "**SCORE Counselor of the Year.**"

Jim "J.T." Tibbetts, president, CEO and director of the First Colebrook Bank and First Colebrook Bancorp, was named a "**Special District Advocate of the Year.**"

Susan Losapio, president of Losapio Training and Consulting, Inc. in Exeter, was named the "Women in Business Advocate of the Year."

Gerald H. "Jerry" Little, president of the New Hampshire Bankers Association (NHBA), a non-profit trade association, was also selected for a "**Special District Advocate of the Year**" award.

The Tender Corp. of Littleton, a leading, family-owned small business manufacturer and distributor of over the counter pharmaceutical products and insect repellents, was named the "**Small Business Exporter of the Year.**"



2003 Small Business Week winners (L to R): Jerry Little; Jeff Feingold; Joe Flynn, Carolyn Keats (Tender Corp.); Susan Losapio; Carol and Mike Hamilton; Jim Tibbetts and T. Paul Bothwell.

SBA Sets 50-Year Record in Loans

Nationwide, a record number of small businesses turned for credit assistance to the SBA in FY 2003, producing a 29 percent increase in the total number of loans backed by the agency, including sharp jumps in the number of loans to women, minorities and veterans. The SBA guaranteed 76,465 loans to small business, with strong increases registered in the 7(a) and 504 loan programs.